Amount in Rupees

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	60876013	64759073
(b) Capital Work-in-progress		-	-
(c) Other Intangible Assets	4	-	20049
(d) Intangible Assets under development		4666902	4666902
(e) Financial Assets			
(i) Investments	5	58791679	48469191
(ii) Loans	6	575131	585131
(f) Deferred tax Assets (Net)	7	2713049	4345391
(g) Other Non - Current Assets	8	3031589	3031589
Current Assets			
(a) Inventories	9	142651482	81627749
(b) Financial Assets			
(i) Investments	10	98269013	94752617
(ii) Trade Receivables	11	178314660	131438104
(iii) Cash and Cash Equivalents	12	23199166	29783274
(iv) Bank Balances other than (iii) above	13	18712079	25723799
(v) Other Financial Assets	14	267503	78418
(c) Other Current Assets	15	43144475	40790302
Total Assets		**635212741**	**530071589**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	6000000	6000000
(b) Other Equity	17	395868489	354419053
Liabilities			
Non - Current Liabilities			
(a) Provisions	18	62770885	46899230
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	63995816	57358645
(ii) Other Financial Liabilities	20	4208491	3509038
(b) Other Current Liabilities	21	81429804	39913581
(c) Provisions	22	12607718	12841769
(d) Current Tax Liabilities (Net)	23	8331538	9130273
Total Equity and Liabilities		**635212741**	**530071589**

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached
For **Suri & Siva**
Chartered Accountants
Firm Regn No.: 004284S

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2021	For Year Ended March 31, 2020
I Revenue from Operations	24	290513567	379487869
II Other income	25	28909087	25645231
III Total Income (I+II)		**319422654**	**405133100**
IV Expenses			
Cost of material consumed	26	127765081	169329836
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(16266668)	15226999
Employee benefits expense	28	62524424	58384050
Finance costs	29	4899738	3697569
Depreciation and Amortisation	30	4751071	6378787
Other expenses	31	80232004	87231132
Total expenses (IV)		**263905650**	**340248373**
V Profit / (loss) before exceptional items and tax		**55517004**	**64884727**
VI Exceptional items		-	-
VII Profit / (loss) before tax		**55517004**	**64884727**
VIII Tax expense			
- Current Tax		12500000	18500000
- Deferred Tax		1616485	(1430242)
- Provision for taxation relating to earlier years (Net)		-	(619251)
IX Profit / (loss) for the period		**41400520**	**48434220**
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan acturial gains/ (losses)		64774	(479268)
Income tax expense on above		(15858)	120622
		48916	**(358646)**
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		**41449436**	**48075574**
XII Earnings per equity share			
(1) Basic		69.08	80.13
(2) Diluted		69.08	80.13

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached
For **Suri & Siva**
Chartered Accountants
Firm Regn No.: 004284S

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

Amount in Rupees

Particulars	For Year Ended March 31, 2021	For Year Ended March 31, 2020
Cash Flows From Operating Activities		
Profit / (Loss) before Tax	55517004	64884727
Adjustments:		
- Interest income	(2057045)	(3150800)
- Profit on sale of assets	(88901)	(6786)
- Loss on sale of assets	-	2536
- Excess Provision credited back	(6812557)	(1459709)
- Credit Balances written back	(19726)	(793975)
- Loss from Partnership firm	(10322488)	1330809
- ECL on Trade Receivables	-	5678035
- Adjustment for OCI	64774	(479268)
- Dividend Income	(4584788)	(3649735)
- Depreciation and amortization	4751071	6378787
Operating cash flow before working capital changes	**36447344**	**68734621**
Changes in		
- Decrease/(Increase) In Trade Receivables	(46876556)	(58166861)
- Decrease/(Increase) In Inventory	(61023734)	13434195
- Decrease/(Increase) In Other current Financial Asset(s)	(189085)	22197
- Decrease/(Increase) In Other current Asset(s)	(2354173)	12855089
- Decrease/(Increase) In Current investments	(3516396)	(29649735)
- Decrease/(Increase) In non-current financial assets-Loans	10000	2500
- Decrease/(Increase) In Other non-current asset	-	(231440)
- Decrease/(Increase) In Long term Provisions	22684212	14391797
- Decrease/(Increase) In Trade Payables current	6656897	27263816
- Decrease/(Increase) In other current liabilities	41516223	(15947579)
- Decrease/(Increase) In Other financial liablities current	699453	(7435989)
- Decrease/(Increase) In Short Term provisions current	(234051)	(107413)
Income taxes paid	(13298735)	(24329359)
Cash generated from / (used in) operations	**(19478601)**	**835839**
Cash flows from investing activities		
Investment in Patnership firm	-	(4000000)
Purchase of fixed assets	(1109060)	(6395469)
Proceeds from sale of fixed assets	350000	15664
Dividend Income	4584788	3649735
Decrease / (Increase) in margin money deposit	7011720	(3600451)
Interest received	2057045	3150800
Net cash generated from/(used in) investing activities [B]	**12894493**	**(7179721)**
Cash flows from financing activities		
Interest paid	-	-
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	**-**	-

Increase in cash and cash equivalents	**(6584108)**	**(6343882)**
Cash and cash equivalents at the beginning of the year	**29783274**	**36127157**
Cash and cash equivalents at the end of the year	**23199166**	**29783274**
Components of cash and cash equivalents (refer note 12)		
Cash on hand & Balances with Bank	23199166	29783274
Total cash and cash equivalents	**23199166**	**29783274**

As per our report of even date attached
For **Suri & Siva**
Chartered Accountants
Firm Regn No.: 004284S

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

1 - Corporate Information

The EIMCO-K.C.P. Ltd is a Process Technology Company and leading manufacturer of Liquid – Solid Separation equipment for Industrial and Environmental Applications: Thickening, Clarification, Classification, Vacuum Filtration, Aeration Systems etc.

The EIMCO-K.C.P. Ltd was established in 1967 and has more than 25,000 installations worldwide. The EIMCO-K.C.P. Ltd is a wholly owned subsidiary of K.C.P.SUGAR AND INDUSTRIES CORP LTD.

The financial statements were approved by the Board of Directors and authorised for issue on 28th June 2021.

2 - Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting requires a change in the accounting policy hitherto in use.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition :

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer being the point of despatch. Revenue is measured at the fair value of the consideration received or receivable. Sales are net of discount and rebates.

Revenue on rendering of the service, is recognised on completion of services on pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund :

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund :

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences :

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an scheme operated in the company using the projected unit credit method, carried out at the Balance Sheet date.

iv. Other Employee Benefits:

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an un discounted basis and recognised based on entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases as depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

Intangible assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the company's firewall and other firewall support services. Intangible assets are initially measured at acquisition cost including any directly attributable costs for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluation are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

Class of Assets	Estimated useful life
Software & allied equipment	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(h) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(i) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(j) Inventories:

Inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

Finished goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(k) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(l) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the contract.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(n) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(p) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(q) Segment Reporting :

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/liabilities”.

(r) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3 - Property, Plant and Equipment

Amount in Rupees

Description	Land	Buildings	Plant and equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 01st April 2019	42776981	11965910	15703856	4727716	885261	1824435	577266	78461425
Additions during the year	-	-	2319856	1010591	243797	840000	290908	4705152
Deletions during the year	-	-	-	60456	-	140000	-	200456
As at 31st March 2020	42776981	11965910	18023712	5677851	5677851	2524435	868174	82966121
Additions during the year	-	-	336586	345000	426144	-	1330	1109060
Deletions during the year	-	-	310189	-	-	-	-	310189
As at 31 March 2021 (At Cost)	**42776981**	**11965910**	**18050109**	**6022851**	**1555202**	**2524435**	**869504**	**83764992**
Depreciation and amortization								
As at 01st April 2019	-	2702377	6009138	2166339	573513	455346	179651	12086364
Additions during the year	-	908252	2474057	2013921	183755	561297	168447	6309729
Deletions during the year	-	-	-	56042	-	133000	-	189042
As at 31st March 2020	-	3610629	8483195	4124218	757268	883643	348098	18207051
Charge for the year	-	818543	2292617	977447	232648	280237	129530	4731022
Deletions during the year	-	-	49090	-	-	-	-	49090
As at 31st March 2021	-	**4429172**	**10726722**	**5101665**	**989916**	**1163880**	**477628**	**22888983**
Net Book Value								
As at 31 March 2021	**42776981**	**7536738**	**7323387**	**921186**	**565286**	**1360555**	**391876**	**60876013**
As at 31 March 2020	42776981	8769772	9126026	1553633	371790	1640792	520076	64759073

4 - Other Intangible Assets

Amount in Rupees

Particulars	Computer Software	Total
Cost or Valuation		
As at 31 March 2019 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2020 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2021 (At Cost)	**237234**	**237234**
Amortization and Impairment		
Amortization for the year ended March 31, 2019	148127	148127
Amortization for the year	69058	69058
As at 31 March 2020	217185	217185
Amortization for the year	20049	20049
As at 31 March 2021	**237234**	**237234**
Net Book Value		
As at 31 March 2021	**-**	**-**
As at 31 March 2020	20049	20049

Intangible Assets under Development

Particulars	Computer Software	Total
As at 01st April 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletions during the year	-	-
As at 31st March 2020	4666902	4666902
Additions during the year	-	-
Deletions during the year	-	-
As at 31st March 2021 (At Cost)	**4666902**	**4666902**

5 - Non-Current Investments

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Partnership Firm (Quality Engineering Works)	**58791679**	48469191

Additional Information:

Name of the partners, their share and their capital in Quality Engineering Works (Firm)

As at 31.03.2021

Name of the Partners	% Share	Capital Share
The EIMCO - K.C.P. Ltd	99.60%	58791679
KCP Sugars Agricultural Research Farms Limited	0.40%	185842
Total	**100.00%**	**58977521**

6 - Loans (Non-Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Long Term Security Deposit	**575131**	585131

7 - Deferred Tax Assets / (Liabilities)

Tax recognised in Statement of Profit and Loss

Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020
Current income tax		
Current year	12500000	18500000
Sub Total (A)	**12500000**	18500000
Deferred tax expense		
Origination and reversal of temporary differences	1616486	(1430242)
Change in accounting policy		
Sub Total (B)	**1616486**	(1430242)
Total (A+B)	**14116486**	17069758

Tax recognised in other comprehensive income

Defined benefit plan actuarial gains (losses)	**(15858)**	120622

Recognised Deferred Tax Assets and Liabilities
Deferred tax assets and liabilities are attributable to the following:

Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020
Deferred Tax Liability		
Others	271434	299392
Sub Total	**271434**	299392
Deferred tax Assets		
Property, Plant & Equipment	1228752	1158930
On account of timing differences in recognition of expenditure	1755731	3485854
Sub Total	**2984483**	4644784
Net Deferred Tax Assets/ (Liabilities)	**2713049**	4345392

8 - Other Non Current Assets

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax refund receivable	**3031589**	3031589

9 - Inventories

Raw materials and components	82069567	37364468
Work in Progress	48315831	26339695
Finished goods	12076675	17786143
Loose tools	189409	137442
Total	**142651482**	81627749

10 - Investments (Current)

Investments in Mutual funds	**98269013**	94752617

11 - Trade Receivables

Secured Considered Good		
Unsecured Considered good	178314660	131438104
Considered Doubtful	6877360	6877360
	185192020	138315464
Less:		
Impairment for Trade receivable under expected credit loss model	(6877360)	(6877360)
Total	**178314660**	131438104

12 - Cash and cash equivalents

i) Balances with banks:		
-In Current Accounts	7052972	14024461
-In Fixed Deposits	16079627	15637105
ii) Cash on hand	66567	121708
Total	**23199166**	29783274

13 - Bank Balances other than Schedule 12 above

Bank Balances held as Margin Money Deposits	**18712079**	25723799

14 - Other Financial Assets (Current)

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
i) Unsecured, considered good;		
- Loans and Advances to Employees	218669	-
- Interest accured on Fixed Deposit	48834	78418
Total	**267503**	78418

15 - Other Current Assets

Unsecured considered good		
Balance with government authorities	28229334	37525612
Prepaid Expenses	413173	76800
Advances to Supplier	14418721	3187890
Travel Advance	83247	-
Total	**43144475**	40790302

16 - Equity Share Capital

Authorised Share Capital		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
Total	**10000000**	10000000
Issued, Subscribed And Paid Up		
6,00,000 Equity Shares of Rs.10/- each	6000000	6000000
Total	**6000000**	6000000

16.1. Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	600000	6000000	600000	6000000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	**600000**	**6000000**	600000	6000000

16.2. Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3. Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD	**600000**	**1**	600000	100.00%

17 - Other Equity

Amount in Rupees

For the year ended March 31, 2021

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2020	11301382	344774158	(1656487)	354419053
Total Comprehensive Income for the Year	-	41400520	-	41400520
Other Comprehensive Income for the Year			48916	48916
Balance as at March 31, 2021	**11301382**	**386174678**	**(1607571)**	**395868489**

18 - Provisions (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits :-		
- Leave Encashment	5247515	5247515
- Provisions for Liquidated Damages	57523370	40954284
Total	**62770885**	46899230

19 - Trade Payables

- Dues to Micro and Small Enterprices (Refer Note 35)	-	-
- Others	63995816	57358645
Total	63995816	57358645

Based on the information available with the company, there are NIL number of suppliers are registered as Micro, Small or Medium enterprises under 'The micro, small or medium enterprises development Act, 2006' as at 31st March 2021.

20 - Other Financial Liabilities

Payable to Employees	**4208491**	3509038

21 - Other Current Liabilities

Statutory Liabilities	3495400	552757
Advance from customers	77934404	39360824
Total	**81429804**	39913581

22 - Provision(Short Term)

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for Employee benefits	2470145	2704196
Provision for Defect Liability period	10137573	10137573
Total	**12607718**	12841769

23 - Current Tax Liabilities

Provision for Income tax (Net)	**8331538**	9130273

24 - Revenue from Operations

Sale of Products	286151289	375067678
Sale of Services	3119098	3249377
Other operating revenue	1243180	1170814
Total	**290513567**	379487869

25 - Other Income

Interest income from financial asset	2057045	3150800
Miscellaneous Receipts	30000	2008912
Duty Drawback Incentive	1111318	5097539
Packing & Forwarding Charges	1227494	1240029
Difference in Foreign Exchange	641941	972031
Provision no longer required withdrawn	6812557	1459709
Credit Balance Written Back	19726	793975
Dividend Income from Mutual Funds	4584788	3649735
Profit or loss from partnership firm	10322488	-
MEIS Licence Incentive	1713090	7265715
Fair value gain on Value of Mutual Fund Investment	299739	-
Profit on Sale of Assets	88901	6786
Total	**28909087**	25645231

26 - Cost of materials Consumed

Opening Balance		
Raw Materials and Components	37364468	35199338
Add: Cost of		
Raw Materials and Components	172470180	171494966
Less Closing Stock		
Raw Materials and Components	82069567	37364468
Total	**127765081**	169329836

27 - Changes in Inventories of Finished Goods , Work-in-Progress and stock in trade

Opening Balance		
Work in Progress	26339695	39990485
Finished goods	17786143	19362353
Less Closing Balance		
Work in Progress	(48315831)	(26339695)
Finished Goods	(12076675)	(17786143)
Total	**(16266668)**	15226999

28 - Employee benefits expense

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	52787342	50831359
Contribution to provident and other funds	4008472	3905645
Staff welfare expenses	5728610	3647046
Total	**62524424**	58384050

29 - Finance Cost

Bank Guarantee Commission and other charges	4899738	3697569
Forward Cover Cancellation Charges	-	-
Total	**4899738**	3697569

30 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	4731022	6309729
- Intangible Assets	20049	69058
Total	**4751071**	6378787

31 - Other expenses

Labour Charges	26695051	23392443
Contract Labour Charges	1647343	3457153
Power and Fuel	1906427	2210864
Rental charges	360000	360000
Repairs and maintanence		
- Workshop	2064261	3359466
- Machinery	301791	536169
- Office	588613	853624
- Others	144182	207789
Insurance	363042	399327
Rates and taxes	1393569	1242685
Travel and conveyance	1445625	1521797
Research, inspection and testing charges	140701	78315
Payment made to auditors (Refer note below)	55000	59047
Legal and Professional Charges	3909264	1440594
Sales expenses	8331975	16970379
Short Provision made during earlier years	187375	-
Performance and delivery guarantee claims	23678615	12556694
Security Charges	2224083	2194202
Telephone Charges	735211	857803
Irrecoverable loans and advances written off	-	18151
Import of Services (Sales Commission & Other Services)	-	4603279
Corporate Social Responsibility Expenses	2305000	-
Miscellaneous expenses	1754876	10911351
Total	**80232004**	87231132

Payment made to statutory auditors :		
i. As auditors	50000	50000
ii. For taxation matters		
iii. For other services	5000	5000
iv. For reimbursement of expenses	-	4047

32 - Sale of Products and Rendering of Services:

Amount in Rupees

Particulars	2020-2021	2019-20
Sales:		
Filters		
Numbers	3 Nos	8 Nos
Value	69000000	71990584
Thickeners Components Spares Bar screens etc.(Unit quantification not possible	217151289	2303077064
Scrap	1243180	1170814
Total	**287394469**	376238462
Services:		
Service Charges	3119098	3249377
Design Erection & Fabrication	-	-
Total	**3119098**	3249377
Total (Sales and Services)	**290513567**	379487869

32.1. Raw Materials consumed

Particulars	2020-2021		2019-20	
	MT	Value in Rs.	MT	Value in Rs.
Stainless Steel	40.54	8899499	31.87	6162391
Iron and Steel	280.20	12593196	509.92	26296287
Total	**320.74**	**21492695**	541.79	32458678

32.2. Particulars regarding Capacity and Production:

The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business the installed Capacity cannot be quantified. Actual Production: **3 Nos.**(PY. 8Nos.) Filters besides Washers Classifiers Clarifiers Components Spares etc.

33 - Contingent Liabilities:

a) The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.182489421 (P.Y.Rs.130246861) are secured by hypothecation of entire current assets both present and future as primary security and entire fixed assets as collateral security.

b) Corporate Guarantee for Rs.27 Crores (P.Y. Rs.27 Crores) furnished to HDFC BANK LTD as security for Working Capital Term Loan availed by holding company – K.C.P.SUGAR AND INDUSTRIES CORPORATION LTD.

33.1. Demands raised on the company by the respective authorities are as under:

Amount in Rupees

Nature of Statute	As at March 31, 2021	As at March 31, 2020
E S I Cases	174489	174489
VAT / Sales Tax	-	-
CST Cases	-	-
Total	**174489**	174489

34 - Additional information pursuant to Schedule III of the Companies Act 2013

Amount in Rs.

S. No	Particulars	As at March 31, 2021	As at March 31, 2020
A	**Expenditure in Foreign currency on:**		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	-	3148028
	(iii) Commission paid on Export sales	-	2257776
	(iv) Reimbursement of Expenses on Product Representation in abroad	-	2086883
	(v) Repair Works	-	258620
	(vi) Seminar and Conference	-	593417
	(vii) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods		
	b. Components and spares	3443740	7450862
	c. Finished goods/Semi Finished goods		
	d. Raw Materials		
B	**Earnings in Foreign Exchange:**		
	(i) Exports	**62497043**	126682184

35 - Information in respect of Micro Small and Medium Enterprises as at March 31, 2021:

S. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro Small and Medium Enterprises Dev elopment Act 2006 along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without a dding the interest specified under the Micro Small and Medium Enterprises Development Act 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years until su ch date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act 2006.	Nil	Nil

Disclosure requirements of Indian Accounting Standards

36 - Disclosures in respect of Ind AS 107 - Financial Instruments

36.1. Financial Instruments by Categories(attached in excel)

The carrying value and fair value of financial instruments by categories were as follows:

Amount in Rupees

March 31, 2021

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Current Investment		98269013	
Current Trade Receivables	**178314660**		
Cash & Cash Equivalents	**23199166**		
Other Bank Balances	**18712079**		
Loans(Security Deposit)	**575131**		
Liabilities:			
Other Financial Liabilities	**4133047**		
Working Capital Loans	**-**		
Trade Payables	**63995816**		

March 31, 2020

Assets:			
Current Investment		94752617	
Current Trade Receivables	131438104		
Cash & Cash Equivalents	29783274		
Other Bank Balances	25723799		
Loans(Security Deposit)	585131		
Liabilities:			
Other Financial Liabilities	3480496		
Working Capital Loans	-		
Trade Payables	57358645		

36.2. Fair Value Hierarchy

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

36.3. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

36.4. The following tables present fair value hierarchy of assets and liabilities measured at fair value:

	31.03.2021				31.03.2020			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Investments in Quoted Mutual Funds	98269013			**98269013**	94752617			94752617

37 - Financial Risk Management

The Company's activities expose to limited financial risks: market risk credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk) Interest rate risk and the market value of its investments.

Securities Prices Risk:

The company's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet either Fair Value through P&L. the company has only one investment in a form of Mutual funds. The company monitors the movement in the value of the mutual fund by observing the NAV.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. It principally arises from the Company's Trade Receivables Retention Receivables Advances and deposit(s) made

Trade Receivables

The company has outstanding trade receivables amounting to Rs.185192020/- and Rs.138315464/- as of March 31, 2021 and March 31, 2020 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

Amount in Rupees

Particulars	March 31, 2021		March 31, 2020	
	Gross	Impairment	Gross	Impairment
0 to 180 days	126359702	-	69541888	-
180 days and more	58832318	6877360	68773576	6877360

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents cash generated from operations and Contribution in the form of share capital.

The company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors expense payable employee dues and deposits arising during the normal course of business as of each reporting date. The company maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals.
Our non-current liabilities include Retentions & deposits

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the company as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the company.

The following table sets forth information relating to foreign currency exposure as of March 31 2020:

Particulars	Assets	
	As at March 31, 2021	As at March 31, 2020
USD	104544.19	122790.18
SGD	44021.98	128594.42
CAD	-	-

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the company's profit before tax as detailed in table below:

USD & SGD sensitivity at year end	As at March 31, 2021	As at March 31, 2020
Receivables:		
If INR rate over Other currency increases by 5%	(493768)	(791692)
If INR rate over Other currency decrease by 5%	493768	791692

38 - Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

38.1. General description of various defined employee's benefits schemes are as under:

a) **Provident Fund:**

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) **Gratuity:**

Gratuity is a defined benefit plan provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer i.e. the Life Insurance Corporation of India however the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

38.2. The summarized position of various defined benefits recognized in the Statement of Profit & Loss Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under :

Movement in defined benefit obligation:

Amount in Rupees

Particulars	31.03.2021	31.03.2020
Defined benefit obligation - Beginning of the year	13208269	11538328
Current service cost	898424	828594
Interest Cost	957600	865375
Past Service Cost	-	-
Benefits Paid	(1601298)	(503292)
Re-measurements actuarial loss / (gain)	(64774)	479264
Defined benefit obligation - End of the year	13398221	13208269

Movement in plan asset:

Fair value of plan assets at beginning of year	14397845	12604950
Employer contributions	692220	1305791
Benefits paid	(1601298)	(503292)
Re-measurements - Return on plan assets	1018183	990396
Re-measurements- actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	14506949	14397845

Amount Recognized in Statement of Profit and Loss

Current service cost	898424	828594
Net Interest on Net Defined Benefit Liability / (assets) (B)	957600	865375
Expected return on plan assets	(1018183)	(990396)
Cost Recognized in P&L	837841	703573

Amount recognized in Other Comprehensive Income (OCI)

Amount in Rupees

Particulars	31.03.2021	31.03.2020
Actuarial (gain) / loss due to assumption changes	(64774)	479264
Difference between Actual Return and Interest Income on Plan Assets - (gain) / loss	-	-
Actuarial (gain)/loss recognized in OCI	**(64774)**	479264

Actuarial Assumption

Discount Rate	7.25%	7.25%
Rate of Salary increase	5%	5%

Category of investment in Plan assets

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

39 - Operating Leases

Operating Lease Disclosures – As per AS-19 :
Rent expenses of Rs. 360000/- (PY Rs.360000/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account. There are no future obligations in respect of the operating leases

40 - Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Since the company primarily operates in one segment being manufacture of Filters. The Company has not derived revenues from any customer which amount to 10 per cent or more of Company's revenues.

41 - Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

41.1. Managerial Remuneration: NIL

Key Managerial Personnel

Smt. Irmgard Velagapudi M. Rao

Smt. Kiran V. Rao

41.2. Related Parties:

Holding Company: KCP Sugar and Industries Corporation Ltd.
Partnership Firm : Quality Engineering Works- Thuvakudi -Trichy

a. **Transactions during the year**:

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Amount in Rupees

Sl. No.	Particulars	31.03.2021	31.03.2020
1	Rent paid to Holding Company: KCP Sugar and Industries Corporation Ltd.	**360000**	360000
2	Purchases/Services received from Partnership Firm: Quality Engineering Works- Thuvakudi -Trichy	**34902363**	40666355
3	Sales/Services Provided to Partnership Firm: Quality Engineering Works- Thuvakudi -Trichy	**472000**	

**b. Cumulative balances outstanding at the year 31st March 2021:
In Partnership firm: Quality Engineering Works-Thuvakudi –Trichy**

Particulars	31.03.2021	31.03.2020
Balance in Partner Capital Account – Receivable	58791679	48469191
Trade Payable	6233778	13493363
Trade Receivable	413000	

**The Eimco - K.C.P. Limited is having control over the affairs of Quality Engineering Works
Quality Engineering Works- Thuvakudi- Trichy – Financial Information**

S.no	Particulars	2020 - 2021 (Un-Audited)	2019 - 2020 (Audited)
1.	Reporting period for the related party	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
2.	Reporting Currency	Indian Rupees	Indian Rupees
3.	Capital	58791679	58791679
4.	Reserves & Surplus	-	-
5.	Total Assets	72714583	63029045
6.	Total Liabilities	72714583	63029045
7.	Investments	-	-
8.	Turnover	34331975	49057223
9.	Profit/Loss before Taxation	9111828	10363944
10.	Provision for Tax ation	-	-
11.	Profit after Taxation	-	-
12.	% of Share Holding	99.60%	99.60%

42 - Impact of COVID - 19 on our Business Operations:

As per the directions of Government of India the Government of Tamil Nadu had imposed Partial/Complete lockdown due to COVID - 19 on account of which the business and regular operations of business were completely affected.

Since the COVID - 19 PANDEMIC is continuing and the second phase of total lockdown has been announced the operations of the company is likely to be affected to some extent.

As per our report of even date attached
For **Suri & Siva**
Chartered Accountants
Firm Regn No.: 004284S

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466